



The Scottish Parliament
Pàrlamaid na h-Alba

Public Audit Committee

Stephen Boyle
Auditor General for Scotland
Audit Scotland

2 October 2024

Dear Auditor General

The National Fraud Initiative in Scotland 2024

The Public Audit Committee took evidence from Audit Scotland on The National Fraud Initiative in Scotland 2024 report at its meeting on [26 September 2024](#).

As you will be aware, the Public Audit Committee has a long-standing interest in the National Fraud Initiative (NFI). Indeed, the session 5 Public Audit and Post-Legislative Scrutiny (PAPLS) Committee published a [report on its post legislative scrutiny of the NFI](#) which included the following recommendation—

“We believe all public bodies and private organisations in receipt of public money should participate in the NFI, where this would deliver clear benefits to the public purse.”

At its meeting on 26 September, the Committee explored how fit-for-purpose the current legislative powers for the NFI are, recognising that some organisations in receipt of public money, such as Scottish universities and housing associations, are not mandated to participate in the exercise. It is therefore at their discretion whether these organisations choose to participate in the NFI.

The Committee notes with concern that no universities have volunteered to participate in the 2024/25 NFI exercise, and that while Audit Scotland is working with several housing associations, it is unclear how many will actually participate.

During the evidence session on 26 September, the Executive Director of Audit Services explained that Audit Scotland was working to encourage voluntary participation in the NFI. They further highlighted that one of the challenges to participation is in relation to the potential conflict with general data protection regulation (GDPR) requirements. The Committee understands that work is progressing with the Cabinet Office to gain clarity on this matter, in order to provide bodies with assurances about how the data may be used as part of the NFI.

The Executive Director of Audit Services further stated—

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Email: publicaudit.committee@parliament.scot. We welcome calls through Relay UK and in BSL through Contact Scotland BSL.

“Once we have clarified the position and the assurances around the GDPR requirements, we are confident of being able to engage with registered social landlords and the universities to bring those bodies within the remit of the NFI exercise.”

The Committee recognises the work Audit Scotland undertakes to encourage organisations to participate in the NFI on a voluntary basis. It is clear however that this work does not guarantee participation by all bodies in receipt of public funds.

The Committee therefore writes to ask you whether you consider—

- **the current arrangements, which rely on organisations such as universities and housing associations voluntarily participating in the NFI are sufficient.**
- **there is scope for the Scottish Government to consider strengthening the legislation in this area.**

During the meeting, the Committee also noted that immigration data has not been included in the NFI data matching exercise since 2016/17. A commitment was made to establish what discussion has taken place between the Cabinet Office and the Home Office on this matter. The Committee looks forward to receiving this update in due course.

The Committee requests a response by **6 November 2024**.

Yours sincerely,

Richard Leonard MSP
Convener